MHPMB 23rd ANNUAL MEETING HIGHLIGHTS

The Free Trade Agreement, production issues, tripartite concerns, vertical integration and pork promotion were some of the key topics discussed at the MHPMB 23rd Annual Meeting held in Winnipeg April 12 - 14, 1988.

Highlights from the meeting proceedings are presented under three headings. The resolutions from the general session are covered under the heading BOARD BUSINESS. Managerial, Committee and invited reports are reviewed in REPORTS. Industry news from keynote speakers will be presented under INSIDE THE INDUSTRY.

BOARD BUSINESS

Resolutions

Delegates carried motions concerning government policies, programs and Board mandates. Twelve resolutions were presented; ten were carried, two defeated.

One key vote concerned requesting the Tripartite Stabilization Committee and/or Governments to not change existing rules of the Plan; specifically the number of hogs eligible for support. Manitoba producers resolved the various provincial governments be requested to discontinue the additional programs which were seen as contributing to regional disparity.

In response to a resolution on the proper use and withdrawal times of registered feed additives and medications, the Board will request Manitoba Agriculture to intensify educational programs for hog producers and feed manufacturers. It was also resolved that the Board lobby the Provincial Government to retain the staff person handling backfat probing on breeding stock.

The Board will review the new Quota Review Committee's proposal which legislated a disincentive for diversification. The proposal does not clearly define roles, nor mention hog producers.

Delegates also voted that the Board continue lobbying the Marketing Council and the Government to obtain a K.A.P.check-off.

The special promotions levy will be reduced from .2% to .1%.

The Board's Facilities Committee will be looking at all options available regarding a wash rack for all trucks.

Delegates carried a motion requesting that if possible, the Board Chairman would attend District Annual Meetings at least every second year.

REPORTS

Chairman's Report

Mr. Vaags dealt with these major items in the Chairman's Report:
Drug Residue Issue - increasing promotions supporting greater responsibility in following swine medicants label instructions.
Grading System Adjustment - Destron probe formula adjusted to align with Hennesay probe after performance monitoring.
Springhill Farms Limited - Board guarantees a line of operating credit and assists in company reorganization.
Tripartite Stabilization - Vaags' appointed to Management Committee. Negotiating participation by provinces not currently enrolled.
Free Trade Agreement - actively supporting Agreement.
Market Development - plans for E.E.C. trade mission underway, following success of Ministerial Trade Mission to Asia.
Manitoba Government Relations - close communications continued on Springhill Farms, Free Trade, WISSCO wind-up, etc.

Manager's Report

Mr.Sedgwick noted nine 1988 district and sub-district meetings were scheduled between March 9 and 29. Attendance was down slightly in most districts; but, the tone was positive and question periods focussed on the current industry issues.

The major issues the Board dealt with in 1987 included the drug residue problem, Springhill Farms loan guarantee and re-organization plan, Tripartite Stabilization, vertical integration developments, U.S. government countervail duty ruling, the Manitoba A.I. program, grading system results and comparisons, pork promotion and Canada Pork program, and questions pertaining to assembly, sales and settlement operations.

Highlights from statistics:

1. Total active production base in the province dropped to 2,891 units; a reduction of 80 from 1986.
2. Prices averaged $172.25. This was down $6.50/ckg from the all time record in 1986, but $11.00/ckg over the 5 yr. ave.
3. The Manitoba packing industry saw the birth of Springhill Farms Ltd.; and, the loss of Canada Packers. The year was without any labour interruptions; but, 1988 will be the year of contract negotiations. Three-year contract has been signed between Springhill Farms and the union representing workers at that plant.

4. Promotion and Advertising - 1987 was Manitoba's first year as a full member of Canada Pork.

Mr. Newton, as part of his duties as Meeting Chairman, thanked retiring delegates: District 5 - Bob Larcombe, Poplar Point; Art Poppe, Carman; Walter Mazinke, Morris; District 6 - Jack Rutherford, Grosse Isle; District 8 - Ed Kleinsasser, Sunnyside Colony; Dan Kleinsasser, Concord Colony; Peter Hofer, Wellwood Colony; and, introduced newly elected delegates: District 4- George Geisel, Ochre River; District 5 - Dave Waldner, Morris; Charles Fossey, Starbuck; James Peters, Winkler; District 6 - Bob Harcus, Stonewall; District 8 - Edwin Kleinsasser, Sunnyside Colony; Jonathon Gross, Homewood Colony; Ben Hofer, Greenwald Colony.

Insurance Committee Report

Mr. Ferriss indicated loss ratios have been within normal tolerances this past year. Rate change negotiations will not take place during the current year.

There were 2,017 active hog production units covered under the plan; or 74.8% of all active units. The total number of hogs covered under both parts of the plan represented 44 percent of total Board sales in 1987.

Two other items being considered in the future are business interruption coverage and adding liability insurance.

Vertical Integration Committee Report

Mr. Foster voted the organization of a fact-finding mission to the U.S. to study their integration situation.

The Committee will proceed with a survey, designed to get producer reactions to integration in the province, and views on the future industry developments.

Promotions Report

Reporting was shared by Mr. Overbaugh, General Manager, Canada Pork, and Mrs. Dyker, Manitoba's Promotions Co-Ordinator.

Mr. Overbaugh reported Canadian Airlines International and the Delta Hotel are using pork promotions. The Pork Steak Campaign is to be expanded. A pilot program promoting Ground Pork is underway. The recent Expo Pork in Vancouver was very successful in showcasing new products to western food services and restaurant buyers.

Mrs. Dyker reported on Board projects such as the Pork Steak Campaign, the Crown Roast Promotion, and other special events.

Swine A.I., Research and Quality Improvement Committee Report

Swine A.I.

Mr. Newton reviewed the progress of the Agri-Food A.I.Project. The funding will be depleted by early 1989. The Board is recommending that the Program be continued to support the A.I. service for commercial producers, considering these options:

1. request extension of the present Agri-Food agreement.
2. assist individuals now enrolled or intending to obtain A.I. services.
3. provide a depot service for ordering and distribution of fresh semen.

Animal Welfare

A National Committee is reviewing current code of practices. They have recommended a greater emphasis be placed on the educating agricultural graduates.

Research

The Board's current funding for research allocates approximately 3 cents per hog towards:

1. VIDO research at Saskatoon,
2. Frozen Boar Semen Research, headed up by Dr. Mary Buhr, University of Manitoba,
3. Brandon's Agriculture Canada Research Station.

Board recommendations for research funding for 1988 are as follows:

1. 3 cents per hog, plus approximately $30,000 be allocated as a total funding budget for research, and
2. Board fund Dr. Buhr's work on frozen boar semen for one more year at the University of Guelph.

Keystone Agricultural Producers' Report

Activities and involvements in 1987 included key program, policy and government legislative actions. K.A.P. represented producers on issues ranging from Special Grains' Program, to the Fuel Proposal to telephone Services and Taxation Reform.

INSIDE THE INDUSTRY

The three keynote speakers at the 23rd Annual Meeting focussed their attention on the direction the hog industry would be taking and what situations would be affecting these changes.

Bill Vaags, MHPMB Chairman, discussed "The State of the Industry". Ron Plain, Extension Economist, University of Missouri, evaluated "The Changing Structure of the U.S. Hog Industry". Manitoba Agriculture's Chief, Economics and Market Analysis, Janet Honey looked at the "Manitoba and North American Hog Outlook for 1988".

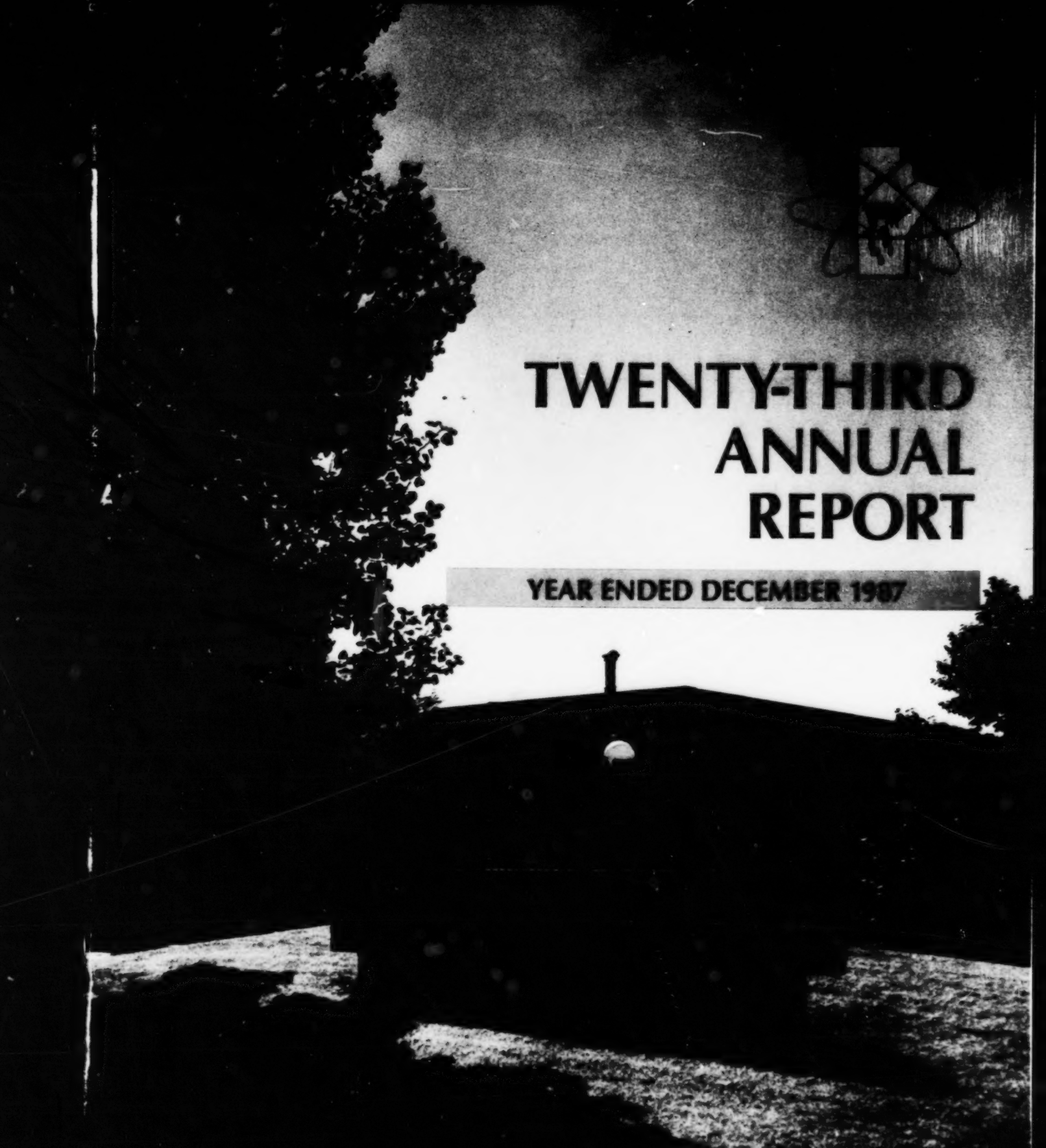
Mr. Vaags noted that both sales and prices presented a rosier picture than in 1987. Board sales set a record of 1.65 million head, translating to $234 million dollars in farm gate receipts for producers.

Vaags called the signing of the Free Trade Agreement one of the highlights of 1987, as a key marketing advantage to industry which is over 170% self-sufficient. The Agreement, as it stands, will add strength to the industry by easing access to and expanding markets in the United States. It will also play an important role in protecting Canadian interests when settling disputes.

Ron Plain, an expert on American industry trends, noted that 70% of U.S. market hogs are raised by only 14% of their hog producers. Hog production has evolved into big business, being managed by big business. Over half of U.S. hog producers have gone out of business in the last seven years. He noted that 12% of hogs marketed last year were contracted, and the figure is expected to increase annually.

Janet Honey indicated that Manitoba's production statistics were similar to U.S. trends. In Manitoba 69% of market hogs are produced by 13% of operators. But, she noted that Manitoba's largest producers are Hutterite Colonies, not large national or multi-national corporations. Also, while the number of provincial producers is down about 11% over 1985, production is up.

Honey cautioned producers looking at expanding, to take into consideration that increasing production may limit market potential and decrease prices.



TWENTY-THIRD ANNUAL REPORT

YEAR ENDED DECEMBER 1987

88-05174/

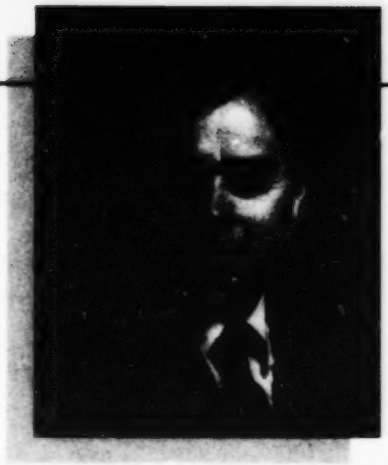
twenty-third annual report of the manitoba hog producers' marketing board

MEMBERS

Bill Vaags, Dugald . . . . . Chairman
Weldon Newton, Neepawa . . . . . Vice Chairman
Ken Johnston, Killarney . . . . . Member-Executive Committee
Brian Cramer, Carman
Gorden Ferriss, Bowsman
Ken Foster, Arborg
Doug Head, Treherne
Ed Kleinsasser, Newton Siding

ADMINISTRATION

R.L. Sedgwick, P. Ag. . . . . General Manager
R. Chabidon . . . . . Sales Manager
A. Fulford . . . . . Accountant
A.J. Brown . . . . . Secretary
R. Bohemier . . . . . St. Boniface Yard Superintendent
C. Aeichele . . . . . Brandon Yard Superintendent



chairman's letter

Dear Fellow Hog Producers:

For most of us, 1987 was another successful year, making it profitable to be a Manitoba hog producer. A healthy year for both prices and sales put hog producers in a better financial picture than many other fellow producers.

It was a year of economic, production and political challenges. Your Board of Directors and staff dedicated their time and talents to dealing with such current concerns as:

— improving communications with the N.P.P.C.
— opening doors with regards to U.S. countervail duty
— launching a second review period and monitoring progress on the appeal of U.S. countervail duty
— negotiating and establishing industry's position on the Free Trade Agreement
— lobbying to get livestock producers into the Federal grains payment formula
— monitoring progress on pseudorabies control in the U.S.
— keeping a close watch on drug residue problems
— participating in trade missions to Europe and Asia

While prices in 1986 started out low and increased throughout the year, 1987's prices started out high. Prices increased over the summer months and then dropped off during the last quarter. Producers saw prices range from a high in July of $203.31 to a November low of $139.63. The average price was $172.25, down 3.7% from 1986's average.

The Board's sales record set another high of 1.65 million head. This translates to $234 million in farm gate receipts for producers.

Manitoba has just less than 3000 registered hog producers. This figure only dropped 80 over the 1987 calendar year. This was certainly more favorable than the 300 member decrease registered in 1986. Although the number of units is down, population counts are up.

With economics being the focal point of the year, your Board was actively involved on both local and national issues. The Board put forth a major effort to keep the Springhill Farms Ltd. plant in operation by offering to provide operating credit up to $6 million, on the premise Springhill would accept the Fletchers' management package and reorganizational plan. The Board is committed to the industry and should any other company face similar problems, they would receive the same consideration, based on circumstances at the time.

The Board congratulates Springhill for successfully negotiating a three-year contract with its employees.

We would also like to commend Burns Meats on progress made to expanding and upgrading their facilities.

The Board does regret the closing of Canada Packers processing line in March, 1988.

The Board is pleased with the Swine A.I. program. However, when the current fund runs out, unless the program receives substantial support from Government and producers alike, it may face a bleak future. The Board is committed to supporting this program for the future benefits it offers our industry.

The Board is in continual consultation with the other provinces and the Federal Government, striving to make the Tripartite Stabilization Agreement a truly national one. Manitoba producers have been leaders in supporting this program.

One highlight of the 1987 year was the Conference on the National Direction of the Hog Industry in Canada. It was inspired by the Gilson/St. Louis Report and sponsored by the Canadian Pork Council and Agriculture Canada. The Conference confirmed our national support of free trade and open market systems.

We are extremely pleased with the progress on free trade. We are satisfied that the Free Trade Agreement, as it stands, is in the best interest of our producers, especially since we continually achieve, on average, 70% over self sufficiency. We need and welcome the opportunity to expand markets to meet our expanding production capabilities.

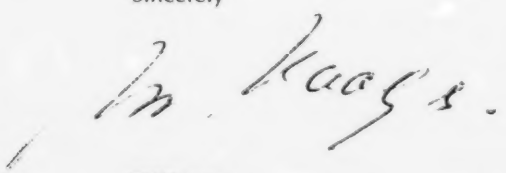
I have been very pleased with the Management transition. I have enjoyed working with Mr. Sedgwick over the past year and appreciate his support in meeting the many challenges we faced.

I thank the Board's management and staff for competently administering our marketing and promotions functions.

It's been a special opportunity to work with you again. I am often spread thin meeting my Canadian Pork Council and Board responsibilities, but, I can always count on the strong support of the Board of Directors to produce a winning team effort. This allows us to set our sights high in expanding our markets to keep pace with the production increases attained by our producers.

Thank you all for your support. Best wishes in the production year ahead.

Sincerely



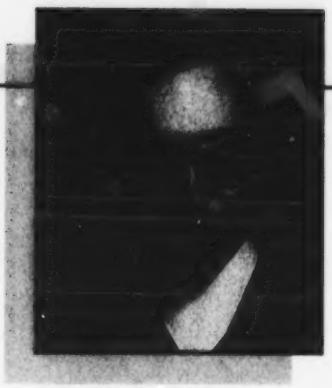
Bill Vaags

1987 MHPMB directors and district delegates

Ken Johnston, Killarney — Director

DISTRICT 1

Delegates
Dave Day, Deloraine — Secretary
Don McEwan, Altamont
Leon Sanders, Manitou
Glen Wallcraft, La Riviere
Gordon McDonald, Manitou
Clifford McCallum, Boissevain



Doug Head, eherne — Director

DISTRICT 2

Delegates
Tom Baron, Carberry — Secretary
Doug Wilson, Reston
Gerry Friesen, Wawanesa
Larry Fisher, Carberry
Harry Plett, Wawanesa
Ray Timmerman, Treherne

Weldon Newton, Neepawa — Director

DISTRICT 3

Delegates
Garry A. Tolton, Newdale — Secretary
Dunc Broadfoot, Gladstone
Larry Shaw, Cardale
Jim Farquhar, Birtle
Andy Cardy, Minnedosa

Gorden Ferriss, Bowsman — Director

DISTRICT 4

Delegates
Ian Shaw, Swan River — Secretary
Terry Highmoor, Birch River
Acey Brinkman, Grandview
Bob Giesel, Ochre River (deceased)
Ron Bernardin, Laurier

Brian Cramer, Carman
— Director

DISTRICT 5

Delegates
Lloyd Stoesz, Altona — Secretary
Orval Beaudin, St. Eustache
Henry Klassen, Altona
Bob Larcombe, Poplar Point
Walter Mazinke, Morris
Art Poppe, Carman
Auke Bergsman, Carman
Herman Martens, Rosenort

Ken Foster, Arborg
— Director

DISTRICT 6

Delegates
Jack Rutherford, Grosse Isle — Secretary
Karl E. Lange, Moosehorn
Les Jacobson, Arborg
Edwin Ryden, Eriksdale
Hans Kjear, Stonewall

Bill Vaags, Dugald
— Director

DISTRICT 7

Delegates
Kai Winther, Dufresne — Secretary
Peter Dyck, Arnaud
Albert Bangert, Beausejour
Joe Van Schepdael, East Selkirk
Ron Rempel, Ste. Anne
Frank Thiessen, Steinbach
Vern Kionke, Dugald
Bernie Brandt, Blumenort

Ed Kleinsasser, Sunnyside Colony
— Director

DISTRICT 8

Delegates
Jake Hofer, Valley View Colony
— Secretary
Josh Hofer, Starlite Colony
Dan Kleinsasser, Concord Colony
Peter Hofer, Wellwood Colony
Sam Hofer, Woodland Colony
Mike Waldner, Newdale Colony
Ben Wipf, Maxwell Colony
Henry Maendel, Hidden Valley Colony

manager's remarks

The Twenty-Third Annual Report and Financial Statement for the Year Ending December 31, 1987 is presented here for the information of the membership and those who may be interested in the Board's business affairs.

In addition to statistical and financial statement material, the report maintains the previous year's format of profiling the Board's Directors and staff for the year in review. In this way, we hope to build a closer association between the people who are responsible for the Board's policy and operations and the members at large.

During the year we were saddened by the passing of Bill Munro's wife, Kae. Bill and Kae's retirement plans were never allowed to materialize. Our sympathies go out to Bill and his family.

North American hog production did not change a great deal in 1987. The U.S. slaughter was up .8 percent, while Canada recorded a 2.8 percent increase. The Manitoba trend was slightly ahead of this, with a year end increase of 3.7 percent or total production of 1.652 million head. The province's share of the national slaughter total rose to 11.5 percent from the previous year's 11.2 percent share. The trend to higher levels of production in the province occurred mainly in the fourth quarter, when monthly increases of from 7 to 9 percent were recorded.

The packing industry came through the year without any interruptions on account of labor disputes. The industry was not without casualty, however, as Canada Packers closed their aging hog and beef slaughter lines at the Winnipeg plant in April. Springhill Farms plant encountered problems which brought about a brief shutdown and which also resulted in the necessity to re-organize the ownership and management structure. This process, which began late in the year and is ongoing into 1988, involved Board support by way of a decision to offer the company a guarantee of the line of operating credit up to a maximum of six million dollars. Security will be held on the Company's Receivables and Inventory by way of a commercial agreement with a major chartered bank. An operating contract with Fletchers Ltd. of Vancouver is intended to provide the company with sound management and marketing expertise. Based on proposed changes to take place within the plant, the kill capacity will be increased to reach optimum levels by mid 1988.

The Board's monthly average prices ranged from a high of $203.31/ckgs in July to a low of $139.63/ckgs in November. The year's average, which worked out at $172.25/ ckgs, was regarded as generally satisfactory by producers, especially in light of substantially lower feed grain prices and slightly lower interest rates. The trend to lower price levels at year end is expected to prevail, at least through the early months of 1988.

Live butcher hog exports out of Manitoba totalled close to 50,000 head for the year. This movement, which was double the 1986 total, reflected the wider than expected U.S./Canadian hog price spreads which prevailed from April through to August. The countervail duty of 4.39 cents per pound remained unchanged during the period but is under review and a reduction announcement is anticipated.

(cont'd)

Canadian pork exports totalled 550 million pounds and, valued at close to 850 million dollars, were up 10 percent for the year. As export commodities, hogs and pork now stand next to wheat as Canada's second largest agricultural commodity. Pork imports also showed an increase during the year and reached a volume of 35 million pounds, up 29.5 percent. This product is primarily boneless pork of European origin and is used for further processing.

The quality of Manitoba hogs continues to improve as demonstrated by an increase in the provincial average index to 104.4 from 103.8 in 1986. The electronic grading system continues to be monitored but appears to be providing the industry with a more accurate method of quality evaluation. The Board appreciates the cooperation received from the Agriculture Canada staff, as well as plant management and staff in maintaining an efficiently run grading system.

While production was up, the number of active producers in the province dropped by 80 units to a total of 2891. Regular communication with all members was maintained by way of the Board's 24-hour 'Hog Call', monthly newsletter and quarterly hog journal. As well, the Board of Directors were in continuous contact with the 'District Delegate' committees in order to maintain a good two-way flow of information.

The Board's 'Top 20' competition was revised to include three major category award winners. The results published in this report show Wellwood Colony of Dunrea as the overall winner of the 4001 and up category, with an average index of 108.7626; Springford Farms of Springstein, winner of the 200 - 1000 category, with an average index of 108.4283 and Ron Froese of Grunthal, winner of the 1001 - 4000 category, with an average index of 107.6721. There were 11 new producers in the Provincial 'Top 20' and 38 new producers in the District 'Top 20' honor rolls. Congratulations are extended to each of the Provincial and District winners.

Producers in the province made a further commitment to the promotion and advertising of their commodity this past year by authorizing a "special promotion" check-off of .2 percent of gross sales value. This will be applied to the funding of Canada Pork — the national promotion arm of the Canadian Pork Council. 1987 was the Board's first full year of membership in Canada Pork for both the retail and food service programs. During the year we were pleased to acquire the services of Ruth Dyker, an experienced Home Economist, who will be responsible for carrying out the delivery of the Canada Pork programs and provide consumers of this province with advice and assistance in the preparation and use of pork products.

Market develoment continues to be a high priority with the Board. This past year the Board Directors and Management were involved in trade missions to Europe and the Pacific Rim. The European mission covered six countries, most within the EEC, for the purpose of studying the marketing systems and export policies of the common market. A major Canadian food fair promotion in Japan, featuring Manitoba pork and turkey, was the focal point of the Provincial Mission to the Pacific Rim. A major group of Japanese retail food chains has become a valued customer and prospects are excellent for expanded sales of Manitoba products to this segment of the Japanese market. The prospects for sales to Hong Kong and China were also assessed as part of the purpose of this mission.

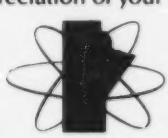
The Board's active participation in a number of allied pork organizations continued in 1987. These included the Canadian Pork Council; the Western Provinces Hog Marketing Committee and the Keystone Agricultural Producers. As well, the Board continues to administer the Hog Tripartite Stabilization Plan for the Province. The Board also provides administrative services for the swine A.I. program which was taken over from WISSCO at the beginning of 1987. This program is funded jointly by producer 'user pay' fees and a grant from the Manitoba Agri-Food Agreement.

The Financial Statements in this report reflect the business affairs of the Board for the Twelve Month period ending December 31, 1987. Board sales for the period amounted to 234.3 million dollars, down 2.9 million dollars from 1986 and reflecting slightly lower hog prices.

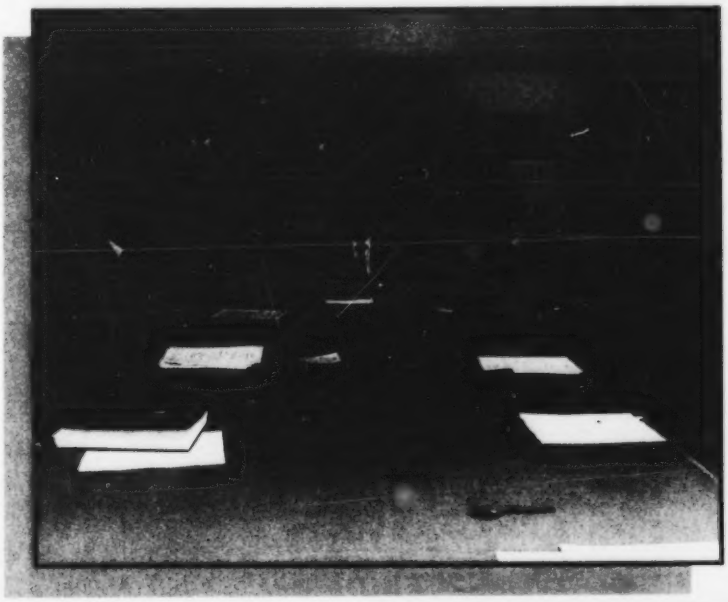
The Board's revenues of 2.47 million dollars were down 4 percent but operating expenditures dropped by 5 percent. This resulted in a net operating surplus for the year of $563,038.

On behalf of the Board of Directors, Administration and staff, please accept our appreciation of your continued interest and support.

R.L. Sedgwick

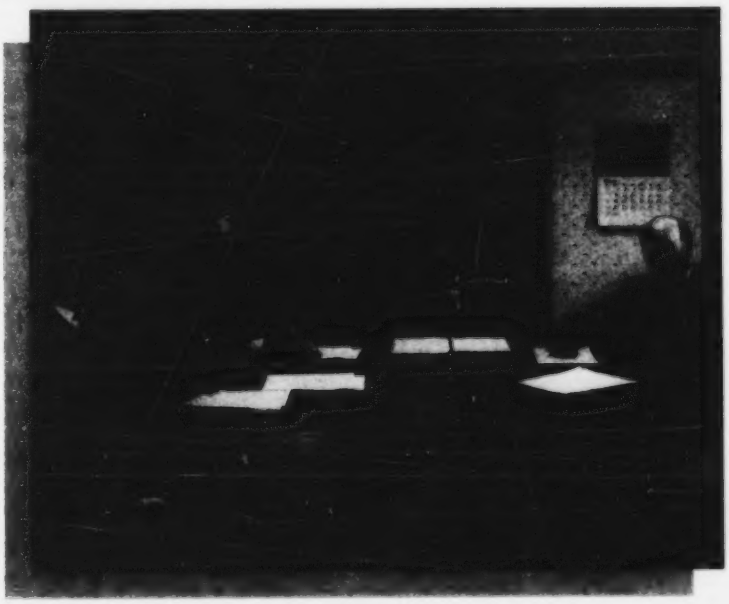


a pictorial glimpse of the board's Winnipeg and Brandon offices



board of directors

Left to Right (seated):
Ken Johnston (District 1);
Weldon Newton (District 3);
Bill Vaags, Chairman (District 7)
Larry Sedgwick, General Manager
and Ben Wipf (District 8).
Left to Right (standing):
Gordon Ferriss (District 4);
Doug Head (District 2);
Ken Foster (District 6);
Brian Cramer (District 5).



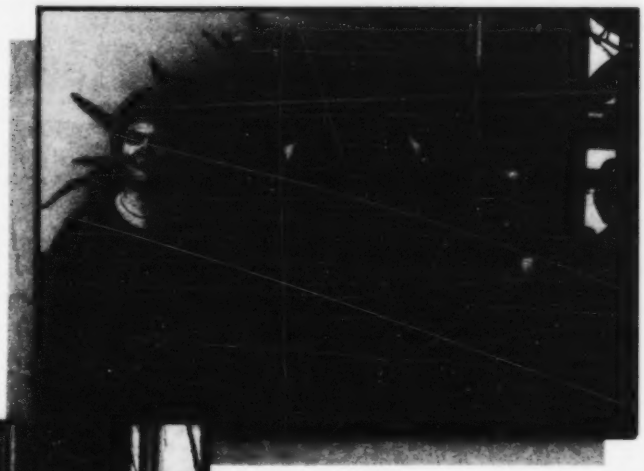
executive committee

Ken Johnston, Weldon Newton,
Bill Vaags (Chairman), R.L. (Larry)
Sedgwick (General Manager).

Larry Sedgwick, Sandra Lewkiw and Anne Brown preparing annual report.

administrative staff

Sandra Lewkiw, Rene Chabidon, Aden Fulford and Anne Brown.



sales & promotion

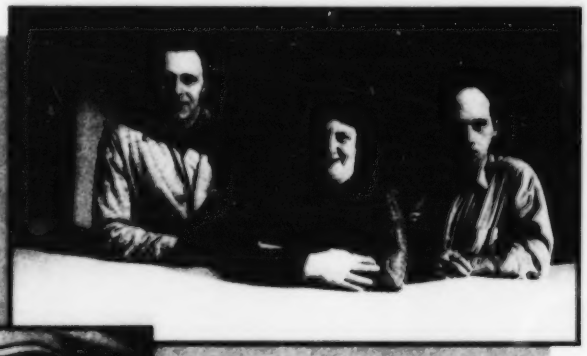
Betty Hutchings, Rene Chabidon, Marlene McDonald, Kent Munro and Ruth Dyker. Missing: Irene Gaudreau and Mary Anne Buchko.

accounting & general office

Back Row L to R: Gwen Zimmer; Verda Andrew; Aden Fulford and Jess Lazo. Front Row L to R: Audrey Szustygesto, Joyce Bruneau, Cecile Lafreniere; Mary Mahood.

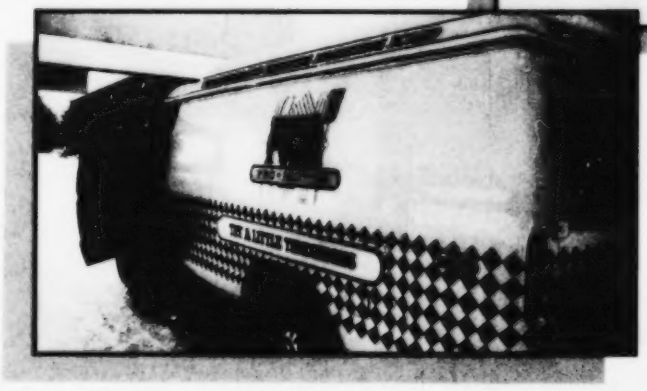
yard staff

Left to Right: James Bell, Ken Forster, Gerry Gagnon, George Haywood, Glen Richardson, Mitch Gauthier, George Willis, Dan Stevens, Ray Bohemier (missing - Richard McCullough).

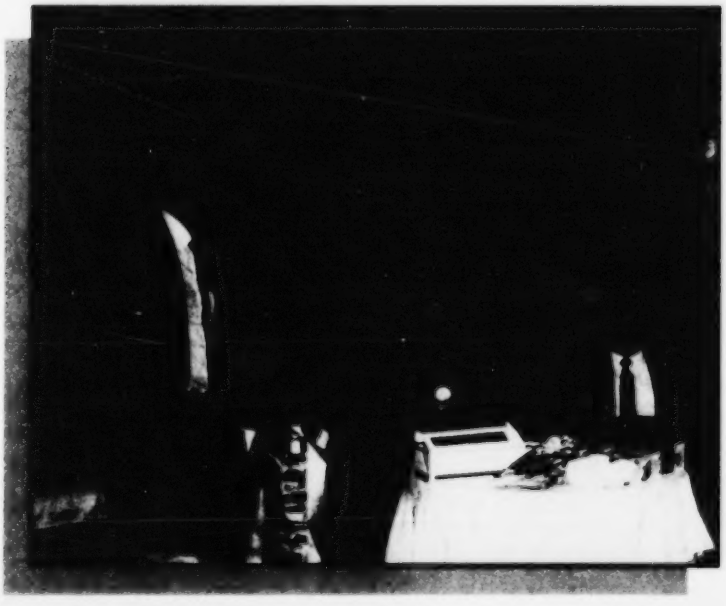


brandon yard staff

Chris Aeichele, Jacqueline Pierce and Gordon Turner.

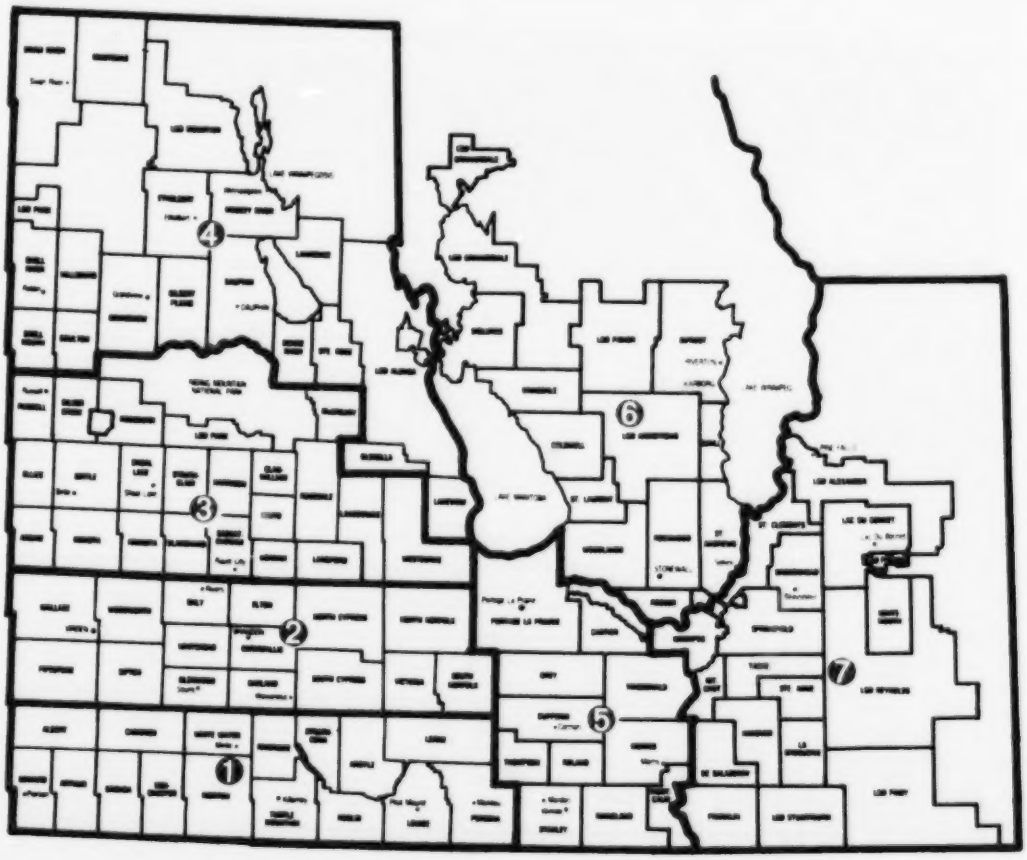


Bert Neufeld and the Pork Pro-Motor.



Nancy Baril and Jack McLeod at their retirement party.

MHPMB district boundaries map



● indicates District zones

1 - Southern
2 - West-Central
3 - North-Central
4 - North-West
5 - Central Plains
6 - Interlake
7 - Red River East
8 - Not geographically defined (see note page 14)

1987 MHPMB HOG DISTRICT PROFILE

MHPMB DISTRICT MARKETINGS — 1987

MHPMB DISTRICT	NUMBER OF ACTIVE PRODUCTION UNITS		TOTAL MARKETINGS	
	1987	1986	1987	1986
#1 — Southern	490	493	158,499	151,566
#2 — West-Central	279	274	73,444	67,789
#3 — North-Central	310	322	56,089	55,769
#4 — North-West	288	266	54,553	43,989
#5 — Central Plains	577	597	209,705	214,098
#6 — Interlake	242	267	87,081	84,469
#7 — Red River East	623	672	450,107	440,658
#8 — Hutterite Colonies*	82	80	529,549	488,246
TOTAL	2,891	2,971	1,619,027**	1,546,584**

* District 8 is not defined by boundaries but encompasses all Hutterite Colonies in the Province that are duly registered as hog producers.

** Includes only hogs sold by registered hog producers in each of the eight MHPMB districts.

MHPMB HOG MARKETINGS BY SALES RANGE — 1987

SALES RANGE	DISTRICT 1		DISTRICT 2		DISTRICT 3		DISTRICT 4		DISTRICT 5		DISTRICT 6		DISTRICT 7		DISTRICT 8	
	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS
1 - 100	247	4.7	164	6.5	203	9.4	197	9.6	260	3.5	115	3.2	242	1.5	2	—
101 - 200	57	5.3	30	5.6	29	7.7	22	6.0	57	4.0	26	4.3	39	1.3	—	—
201 - 500	83	17.5	48	19.5	48	27.9	35	21.2	115	19.5	42	17.3	64	4.9	2	.1
501 - 1000	67	29.5	22	21.1	18	24.2	24	29.8	94	32.4	31	26.1	118	19.4	2	.3
1001 - 2000	23	18.4	10	18.9	11	25.3	8	18.0	42	27.3	24	38.0	106	32.7	—	—
2001 - 5000	13	24.6	3	12.1	1	5.5	1	6.0	8	9.8	4	11.3	49	31.2	14	10.5
5001 - 10000	—	—	2	16.4	—	—	1	9.4	1	3.5	—	—	4	5.5	54	73.5
10001 & Over	—	—	—	—	—	—	—	—	—	—	—	—	1	3.6	8	15.6

Comments: The total number of production units for 1987 was lower by 80 units or almost three percent of the 1986 total. Units producing 500 hogs or more, however, were up by 4.2 percent and accounted for 93.3 percent of the total Board sales for 1987. A significant number of units marketing 100 head or less are classed as weanling production units whose sales consist primarily of cull sows and/or boars.

1987 in review
statistical information pertaining to hog production, prices, imports and exports

TABLE 1

MANITOBA PRICE AND SALES SUMMARY					
MONTH	AVERAGE PRICE (F.O.B. WPG.)				TOTAL SALES
	100 INDEX HOGS		NO. 1 SOWS (D.W.)		
	IMPERIAL	METRIC	IMPERIAL	METRIC	
JANUARY	76.19	167.97	56.97	125.61	137,882
FEBRUARY	77.52	170.91	60.27	132.89	127,717
*MARCH	71.51	157.67	58.09	128.08	162,948
APRIL	72.79	160.48	57.84	127.52	127,213
MAY	83.70	184.54	62.94	138.77	125,117
*JUNE	90.58	199.70	60.41	133.18	150,206
JULY	92.22	203.31	64.30	141.76	125,491
AUGUST	90.82	200.24	69.14	152.44	115,022
*SEPTEMBER	83.89	184.96	65.43	144.26	158,192
OCTOBER	75.46	166.38	57.94	127.75	130,576
NOVEMBER	63.33	139.63	43.16	95.17	137,380
*DECEMBER	63.90	140.89	39.32	84.49	156,185
1987	78.13	172.25	58.09	128.07	1,653,929
1986	81.09	178.78	57.15	126.00	1,640,394
5 YR. AVG.	73.16	161.29			
10 YR. AVG.	70.74	155.95			

* Denotes 5 week month

Comments: Board sales for the year in review were up by 13,535 head. This represents an increase of .8 percent over 1986. The 100 index price dropped $6.53/ckg, while No. 1 sows managed an increase of $2.07 per ckg D.W.

TABLE 2

M.H.P.M.B. — HOG MARKETINGS BY QUARTER — 1987					
	JAN.-MAR 1st QUARTER	APRIL-JUNE 2nd QUARTER	JULY-SEPT. 3rd QUARTER	OCT.-DEC. 4th QUARTER	TOTAL
HOGS	420,486	394,634	390,213	416,211	1,621,544
SOWS	6,362	6,193	6,804	6,194	25,553
BOARS	1,699	1,709	1,688	1,736	6,832
TOTAL (87)	428,547	402,536	398,705	424,141	1,653,929
(86)	402,839	419,261	383,051	435,243	1,640,394
% CHANGE 87/86	+6.4	−4.0	+4.1	−2.6	+0.8

Comments: 1987 quarterly marketings reflected an alternate growth pattern ranging from an increase of 6.4 percent in the first quarter to a decrease of 4.0 percent in the second quarter. Although this translates into a marginal .8 percent increase, the overall growth pattern for the last five years continues to be very positive, with a gain of 359,188 head, or a percentage increase in excess of 20 percent.

TABLE 3

1987 MANITOBA PRODUCTION SUMMARY				
	BOARD SALES +	NON-BOARD EXPORTS −	OUT OF PROVINCE IMPORTS =	NET MANITOBA PRODUCTION
HOGS	1,621,544	9,973	22,685	1,608,652
SOWS	25,553	8,609		34,162
BOARS	6,832	2,283		9,115
TOTAL	1,653,929	20,685	22,685	1,651,929
WEANLINGS		55,695		Change 87/86 - + 3.7%

Comments: When taking into account the export and import of live hogs, Manitoba's net production figure stands at 1.65 million head. This is an increase of 3.7 percent over the corresponding 1986 figure.

TABLE 4

INSPECTED HOG SLAUGHTER CANADA AND UNITED STATES*			
PROVINCE OF ORIGIN	FEDERAL AND PROVINCIAL SLAUGHTER VOLUME		% CHANGE 87/86
	1987	1986	
BRITISH COLUMBIA	317,806	334,344	− 4.9
ALBERTA	1,944,271	1,843,171	+ 5.5
SASKATCHEWAN	805,411	714,859	+ 12.7
MANITOBA	1,640,101	1,555,303	+ 5.5
TOTAL WEST	4,707,589	4,447,677	+ 5.8
ONTARIO	4,380,829	4,246,716	+ 3.2
QUEBEC	4,556,512	4,566,158	− 0.2
MARITIMES	575,765	574,813	+ 0.2
TOTAL EAST	9,513,106	9,387,687	+ 1.3
TOTAL CANADA	14,220,695	13,835,364	+ 2.8
TOTAL UNITED STATES	78,701,070	78,074,504(R)	+ 0.8

*Source: Agriculture Canada (R) Revised

Comments: Canadian inspected hog slaughter in 1987 reached 14.2 million head, up 2.8 percent from 1986, while U.S. inspected slaughter was up fractionally at 78.7 million. Eastern hog slaughter accounted for 67 percent of Canada's total, while the Western provinces slaughtered 33 percent of hogs produced in Canada.

TABLE 5

FRESH AND FROZEN PORK EXPORTS			
EXPORTED TO	LBS.		% CHANGE 87/86
	1987	1986	
UNITED STATES	481,487,000	430,739,000	+ 11.8
JAPAN	48,291,000	48,305,000	—
OTHER COUNTRIES	20,630,000	21,289,000	− 3.1
TOTAL	550,408,000	500,333,000	+ 10.0

Source: Agriculture Canada (Preliminary)

Comments: Total pork exports increased by 50 million pounds this past year. All of this increase was shipped to the United States, while Japan barely remained steady and the other countries were down by 659,000 pounds.

TABLE 6

FRESH AND FROZEN PORK IMPORTS

IMPORTED FROM	LBS. 1987	LBS. 1986	% CHANGE 87/86
UNITED STATES	11,650,000	12,385,000	- 5.9
OTHER COUNTRIES	23,871,000	15,041,000	+ 58.7
TOTAL	35,521,000	27,426,000	+ 29.5

Source: Agriculture Canada (Preliminary)

Comments: Purchases from other countries, and particularly Denmark, were up almost 9 million pounds for 1987 causing pork imports to increase by 29.5 percent.

TABLE 7

PER CAPITA CONSUMPTION OF MEAT IN CANADA, 1976-1987

(kilograms)	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987 E
Beef[1]	51.36	48.85	45.73	39.90	39.53	40.69	40.45	40.02	38.30	38.77	39.19	38.90
Pork[1]	25.10	25.10	25.92	29.05	31.30	30.10	27.84	28.62	27.89	28.49	27.63	27.50
Veal[1]	2.37	2.26	1.84	1.42	1.42	1.57	1.69	1.68	1.82	1.82	1.87	1.80
Mutton & Lamb[1]	1.02	0.82	0.87	1.07	0.81	0.71	0.74	0.80	0.87	0.76	0.94	1.00
Offal	1.72	1.64	1.92	1.35	1.86	1.38	1.28	1.41	1.46	1.69	1.73	1.70
Chicken & Fowl[2]	15.83	16.55	17.21	18.75	18.45	18.37	18.67	18.85	19.75	21.07	21.49	22.60
Turkey[2]	4.17	4.16	4.14	4.08	4.26	4.15	3.95	4.06	3.95	3.99	4.16	4.30

[1]Carcass weight. [2]Eviscerated weight. [E]Author's estimate. Source: Statistics Canada.

Comments: The last five yearly figures for per capita pork consumption show a very constant demand pattern. The 1987 estimate is merely a reflection of this continuing trend.

TABLE 8

HOG CARCASS INDEXING REVIEW — 1987

INDEX(ES)	PERCENTAGES MANITOBA	PERCENTAGES CANADA
114 - 112	5.6	3.3
111 - 109	12.5	9.0
108 - 106	29.8	26.6
105 - 103	17.7	18.3
102 - 100	17.8	19.7
99 - 97	7.7	9.3
96 - 94	3.5	4.5
93 - 91	1.5	2.0
90 - 83	1.5	2.3
82	.5	.9
81	.3	.5
80	.4	.8
RIDGLINGS	.4	.3
1987 - 103 and Over	65.6	57.1
1986 - 103 and Over	61.8	61.9

Comments: The percentage of Manitoba hogs which indexed 103 or better increased by 3.8 percent to total 65.6 percent for 1987. There now exists a positive spread of 8.5 percent between the Manitoba figure and the national average for hogs over the 103 mark.

TABLE 9

MANITOBA HOG CARCASS WEIGHT DISTRIBUTION				
RANGE (KGS)	1987		1986	
	NO. HOGS	% CARCASSES	NO. HOGS	% CARCASSES
UNDER 60	7,241	.5	9,667	.6
60 - 64.9	18,314	1.2	23,769	1.6
65 - 69.9	83,407	5.5	95,613	6.3
70 - 74.9	290,643	19.0	287,344	18.8
75 - 79.9	509,121	33.4	483,866	31.7
80 - 84.9	389,465	25.5	452,283	29.6
85 - 89.9	161,775	10.6	126,167	8.3
90 - 94.9	47,366	3.1	34,008	2.2
95 - 99.9	12,655	.8	9,669	.6
100 - UP	5,564	.4	5,194	.3

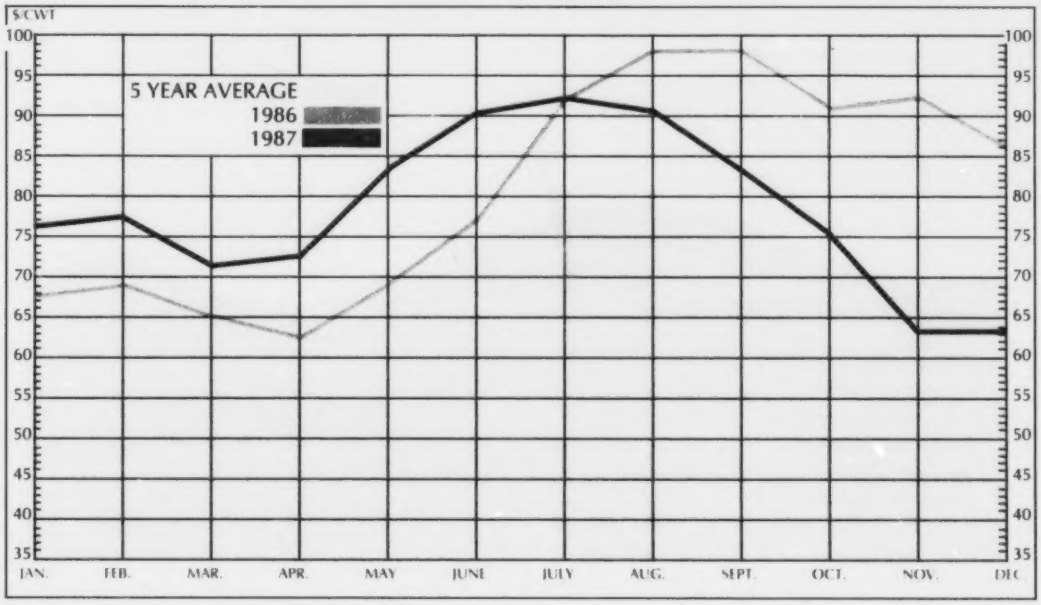
Comments: Manitoba producers continue to decrease the number of light hogs marketed. In 1987 the percentage of carcasses under 70 kgs dropped 1.3 percent, while numbers in the core group of 70 to 84.9 kgs remained steady.

TABLE 10

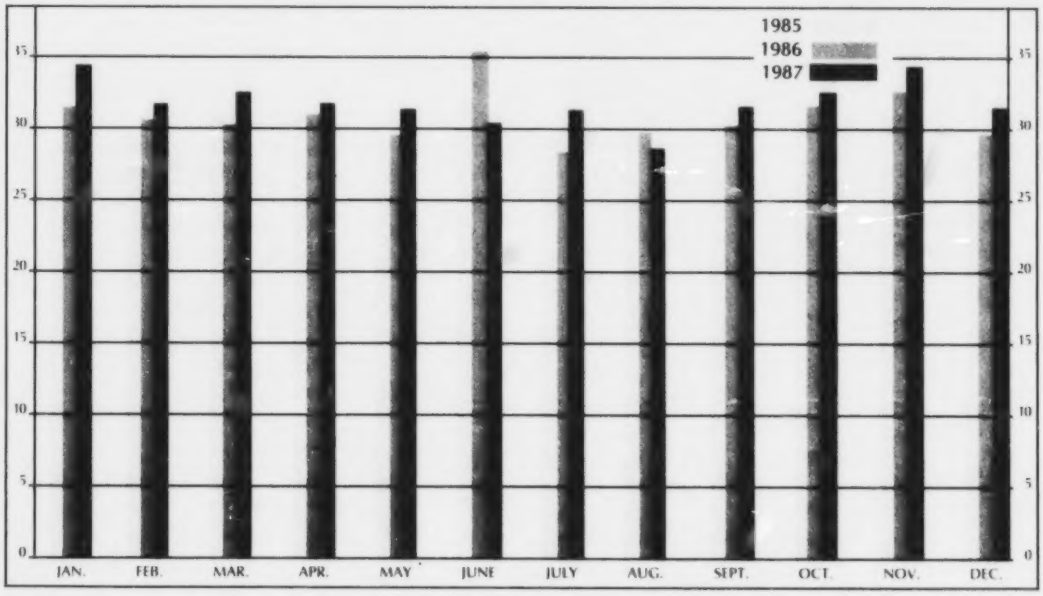
MONTHLY REVIEW: AVERAGE WEIGHTS & INDEXES 1987		
MONTH	AVERAGE MANITOBA INDEX*	AVERAGE CARCASS WEIGHT (KGS)
JANUARY	103.9	79.8
FEBRUARY	104.2	79.3
MARCH	104.3	79.4
APRIL	104.6	78.7
MAY	104.6	78.3
JUNE	104.2	77.7
JULY	104.0	77.6
AUGUST	104.1	77.7
SEPTEMBER	104.4	78.3
OCTOBER	104.8	78.9
NOVEMBER	104.8	79.4
DECEMBER	104.9	78.6
AVERAGE FOR 12 MONTH PERIOD	104.4	78.6

*Average Index Excludes Ridglings and Lights

AVERAGE MONTHLY HOG PRICES
F.O.B. — WINNIPEG



AVERAGE WEEKLY MANITOBA MARKETINGS



1987 'TOP 20' provincial winners

	CONGRATULATIONS TO:	ADDRESS	AVG. WT. INDEX	TYPE OF OPERATION
1.	**Wellwood Colony** (Winner 4001 & up)	Dunrea	108.7626	Farrow to Finish
2.	**Springford Farms** (Winner 200-1000)	Springstein	108.4283	Feeder Operation: Weanlings from Piche Hog Farms Ltd., Fannystelle
3.	**Greg Isaac**	Arden	108.3891	Farrow to Finish
4. •	**Peter W. Barkman**	Ste. Anne	108.3513	Farrow to Finish
5. *	**Starlite Colony**	Starbuck	108.1463	Farrow to Finish
6.	**Murray James Rempel**	Birnie	108.1427	Feeder Operation: Weanlings from Allen Barkman, Cromer
7. *	**Ernie Janzen**	Altona	108.0908	Farrow to Finish
8. *	**Greenwald Colony**	Beausejour	107.7829	Farrow to Finish
9.	**Ray Timmerman**	Treherne	107.7762	Farrow to Finish
10. *	**Ron Froese** (Winner 1001-4000)	Grunthal	107.6721	Feeder Operation: Weanlings from Vielfaure Bros., La Broquerie and John Gerbrandt, Grunthal
11. *	**David E. Rolfe**	Elgin	107.6550	Farrow to Finish
12. *	**Beaver Creek Colony**	Elie	107.6444	Farrow to Finish
13. *	**Linden Wohlgemuth**	Riding Mountain	107.6196	Feeder Operation: Weanlings from Dean Wohlgemuth, Riding Mountain
14. *	**John Hofer**	Sidney	107.5964	Farrow to Finish: Supplemented with weanlings from Shady Lane Colony, Treherne
15. *	**John K. Guthrie**	Reston	107.5872	Feeder Operation: Weanlings from Lloyd McLeod, Miniota and Allan Petre, Virden
16.	**Jake Peters**	Wawanesa	107.5499	Farrow to Finish
17.	**Birnie View Farms**	Birnie	107.3637	Feeder Operation: Weanlings from Allen Barkman, Cromer & Ken Isaac, Eden
18.	**Allen Barkman**	Birnie	107.3594	Feeder Operation: Weanlings from George Friesen, Riding Mountain
19. *	**C & D Farms**	Altona	107.3376	Feeder Operation: Weanlings from Jake Derksen, Winkler
20. *	**Lone Pine Farms.**	Arden	107.2761	Farrow to Finish: Supplemented by weanlings from Neil Jensen, Arden

* Indicates New to Provincial Top 20
• Indicates 5 or more years in Provincial Top 20

1987 'TOP 20' district winners

DISTRICT 1		ADDRESS	AVERAGE INDEX
1.	David E. Rolfe	Elgin	107.6550
2. ••	Clifford & Jean McCallum	Boissevain	107.2528
3. •	Henry Comte	Notre Dame	106.4134
4.	Dale Boyd	Killarney	106.3091
5. •	Edward Grift	Swan Lake	106.0035
6. *	Robert & Teresa Wiebe	Killarney	105.9120
7.	Greg Fotheringham	Reston	105.8139
8.	Donald & Angela DeKoninck	Cartwright	105.7892
9. *	Richard Cousin	Swan Lake	105.5659
10. *	Joseph Peters	Boissevain	105.5658
11.	George A. Klassen	Manitou	105.5186
12. •	Kevin Archibald	Killarney	105.5137
13. *	C.R. Lodge	Baldur	105.5104
14. *	Dave Tiessen	Crystal City	105.4962
15.	Hubert & Cathy Rondeau	Swan Lake	105.4656
16.	Robert C. Smith	Killarney	105.4487
17.	Walter Warkentin	Cartwright	105.3966
18. •	Dennis Warkentin	Baldur	105.3870
19. •	Orville Friesen	Cartwright	105.3607
20. *	Delmar Reimer	Cartwright	105.3206

DISTRICT 2			
1. •	Ray Timmerman	Treherne	107.7762
2.	John Hofer	Sidney	107.5964
3. •	John K. Guthrie	Reston	107.5872
4. ••	Jake Peters	Wawanesa	107.5499
5. •	John & Pat Hipwell	Virden	106.5870
6. *	Henry Wm Gradidge	Wawanesa	106.5323
7.	Marcel Charriere	Notre Dame	106.1738
8.	William Barkley	Virden	106.0549
9.	Larry Fisher	Carberry	105.8979
10. ••	J.P. Wiebe & Sons	MacGregor	105.4274
11.	Ken & Linda Van Deynze	Notre Dame	105.2045
12.	Doug Wilson Farms	Reston	105.1900
13.	Harry Plett	Wawanesa	105.1799
14.	Garry E. Jarnouin	Holland	105.0186
15.	P.A.R. 85	Wawanesa	104.9013
16.	John Thiessen	Cromer	104.8405
17. •	Amroy Farms Ltd.	Carberry	104.8150
18.	Brian Robt. Prince	MacGregor	104.6577
19.	Rexpork	Holland	104.5328
20.	Peter Harder	MacGregor	104.4826

*Indicates New to District Top 20 • Indicates 5 or More Years in District Top 20
•• Indicates 10 or More Years in District Top 20

DISTRICT 3		ADDRESS	AVERAGE INDEX
1.	Greg Isaac	Arden	108.3891
2.	Murray James Rempel	Birnie	108.1427
3.	Linden Wohlgemuth	Riding Mountain	107.6196
4.	Birnie View Farms	Birnie	107.3637
5. •	Allen Barkman	Birnie	107.3594
6.	Lone Pine Farm	Arden	107.2761
7. ••	Rogers Bros.	Arden	106.7703
8. *	Rick Bartel	Riding Mountain	106.4127
9. ••	James D. Farquhar	Birtle	106.3519
10. *	William L. McArthur	Solsgirth	106.3260
11. ••	Newton Farms	Neepawa	106.3057
12. ••	J.A. McDonald & Sons Ltd.	Strathclair	106.1862
13. •	Alfred Isaac	Arden	106.0417
14. •	Stanley Yaskiw	Birtle	105.9385
15. •	Ken A. Farquhar	Birtle	105.9152
16. *	Charles Friesen	Eden	105.7968
17. •	Glen Wohlgemuth	Plumas	105.7564
18. *	Shady Grove Farm	McCreary	105.7313
19. *	Venton Beatty	Erickson	105.4219
20.	Richard Lemoing	Minnedosa	105.4108
DISTRICT 4			
1. ••	Burtondale Farms	Swan River	107.1099
2. ••	Hans Immerkar	Swan River	106.8884
3.	Raymond Wohlgemuth	Swan River	106.6305
4. •	Acey Brinkman	Grandview	106.5862
5. •	Ronald Bernardin	Laurier	106.4933
6.	Armand Larocque	San Clara	106.4536
7. •	Abraham Wohlgemuth	Roblin	106.3260
8. •	Ken Wohlgemuth	Kenville	106.0955
9. •	Ed Penner	Grandview	106.0933
10. *	John Isaac	Roblin	105.3738
11. •	Michael McIntosh	Bowsman	105.2975
12.	Dennis P. Barkman	Kenville	105.2603
13.	Jack Klekta	Bowsman	105.2176
14. •	Bernie Thiessen	Bowsman	105.1022
15. ••	Highmoor Bros. Ltd.	Bowsman	104.7583
16.	Reginald O. Metcalfe	Bowsman	104.7247
17. *	Eggie Bros.	Swan River	104.6467
18. •	Dale Froese	Grandview	104.5578
19. *	John Dubyk	Minitonas	104.1300
20. *	Edgar B. Yacyshyn	Durban	104.1167

*Indicates New to District Top 20 • Indicates 5 or More Years in District Top 20
•• Indicates 10 or More Years in District Top 20

DISTRICT 5		ADDRESS	AVERAGE INDEX
1.	• Springford Farms	Springstein	108.4283
2.	Ernie Janzen	Altona	108.0908
3.	* C & D Farms	Altona	107.3376
4.	Larry Frith	Roland	106.8854
5.	Henry S. Penner	Stephenfield	106.7237
6.	* Raymond Wall	Lowe Farm	106.7207
7.	Dennis Braun	Altona	106.5056
8.	Piche Hog Farms Ltd.	Fannystelle	106.4836
9.	* Glenn G. Dyck	Morden	106.2426
10.	Larry Gluck	Lowe Farm	106.1794
11.	Bill L. Rempel	Morris	106.1355
12.	John C. Peters	Winkler	106.1188
13.	* Brian & Evelyn Watt	Morris	106.0912
14.	* Paul and Jake Reimer	Altona	106.0098
15.	* Ralph C. Eidse	Morris	105.9565
16.	* Manfred A. Janz	Altona	105.9261
17.	• Brian F. Hildebrand	Morden	105.8602
18.	Lofto Farms Ltd.	Fannystelle	105.8291
19.	Kleen Lean Hog Farms Ltd.	Morris	105.8273
20.	Kenr Farms Ltd.	Thornhill	105.8258

DISTRICT 6			
1.	• Melvin Barkman	Riverton	106.9040
2.	Albert G. Doerksen	Arborg	106.7168
3.	Newlife Feeds Hogland	Winnipeg	106.4148
4.	• Firman Brothers	Arborg	106.2528
5.	• Leo Gudmundson	Arborg	106.1366
6.	• Alan M. Safiniuk	Balmoral	106.0302
7.	• William A. Chrismas	Balmoral	106.0053
8.	Richard H. Campbell	Teulon	105.8705
9.	* Taylor Agro Ltd.	Marquette	105.8476
10.	Glen C. MacMillan	Marquette	105.5372
11.	* Northern Genetics	Eriksdale	105.3349
12.	* Cornie Barkman	Arborg	105.0936
13.	* Harold Loewen	Fisher Branch	105.0386
14.	• Glen Plett	Arborg	105.0098
15.	• G. Norberg & Sons	Marquette	104.9585
16.	• D.M. Suwala	Stonewall	104.8570
17.	• Reimer's Farm	Fisher Branch	104.8450
18.	* Calvern Farms Ltd.	Argyle	104.7494
19.	* Karl Jochum & Sons	Headingley	104.7335
20.	•• Eddie Brandt	Arborg	104.7014

*Indicates New to District Top 20 • Indicates 5 or More Years in District Top 20
•• Indicates 10 or More Years in District Top 20

DISTRICT 7		ADDRESS	AVERAGE INDEX
1.	• Peter W. Barkman	Ste. Anne	108.3513
2.	Ron Froese	Grunthal	107.6721
3.	* Herman Reimer	Beausejour	107.2346
4.	Pine View Hog Farm	Steinbach	107.1354
5.	Stuart N. Lawrence	St. Pierre	107.1268
6.	•• John Loewen Farms Ltd.	Steinbach	107.1171
7.	Gary John Penner	Kleefeld	106.8743
8.	* M. Suderman	Niverville	106.7688
9.	• Henry Bergen	New Bothwell	106.7451
10.	Levi Banman	Ste. Anne	106.7272
11.	* Mel J. Wieler	Tourond	106.6299
12.	David T. Penner	Kleefeld	106.6254
13.	Plett & Reimer	Landmark	106.6149
14.	Dan & Mary Friesen	Elma	106.6037
15.	Bergmann Bros.	Glenlea	106.4746
16.	• Dennis Wohlgemuth	Ste. Anne	106.4324
17.	• H.B. Reimer	Steinbach	106.3834
18.	* Ed Wohlgemuth	Beausejour	106.3369
19.	* Henry Harder	Kleefeld	106.3351
20.	G.N. Friesen	Arnaud	106.3299

DISTRICT 8			
1.	•• Wellwood Colony	Dunrea	108.7626
2.	Starlite Colony	Starbuck	108.1463
3.	•• Greenwald Colony	Beausejour	107.7829
4.	Beaver Creek Colony	Elie	107.6444
5.	• James Valley Colony	Elie	107.1753
6.	•• Spring Valley Colony	Brandon	107.1752
7.	• Sommerfeld Colony	High Bluff	107.1566
8.	Treesbank Colony	Wawanesa	107.0723
9.	Lakeside Colony	Headingley	106.9424
10.	• Homewood Colony	Starbuck	106.7488
11.	Good Hope Colony	Portage la Prairie	106.7378
12.	• Baker Colony	MacGregor	106.6589
13.	Concord Colony	Stony Mountain	106.6414
14.	* Shady Lane Farms Colony	Treherne	106.4734
15.	Interlake Colony	Teulon	106.3329
16.	• Maxwell Colony	Headingley	106.2004
17.	Suncrest Colony	Tourond	106.0627
18.	New Rosedale Colony	Portage la Prairie	106.0127
19.	Willowcreek Colony	Killarney	106.0028
20.	• Decker Colony	Decker	105.9269

*Indicates New to District Top 20 • Indicates 5 or More Years in District Top 20
•• Indicates 10 or More Years in District Top 20

pork promotion 1987

Pork promotion in Manitoba took on a new look in 1987 with the full implementation of the Canada Pork programs. Exciting too, was the release of the new nutrient data showing pork as low in fat and cholesterol, proving that pork is really "The New Lean Meat". Diane Wreford, Consumer Consultant, left the board in September for a fulltime position with CBC. Ruth Dyker joined the Board in April as Home Economist - Pork Promotions and Betty Hutchings was hired in May as Promotions Assistant.

CANADA PORK PROGRAMS

1. RETAIL PORK STEAK CAMPAIGN

To introduce the Pork Steak Campaign and Porky-Pines to 50 media, food service and retailers, an elegant luncheon was held in June at the Delta Winnipeg. Thirty-second radio spots and newspaper ads in the Winnipeg Free Press and TV Guide, as well as a TV demonstration by Chef Schroeder of the Holiday Inn on CKY, gave added impetus to the campaign.

A total of 292 stores participated in the campaign with varying degrees of involvement. Canada Pork provided excellent posters and point-of-purchase materials, as well as national advertising in popular magazines. This campaign has provided us with excellent retail contacts, which we will be able to build on in future promotions.

A pork steak video was produced by Canada Pork and sent to all retail head offices and to teaching colleges.

2. FOOD SERVICE

In conjunction with the Pork Steak Campaign, a successful food service promotion was held at the Holiday Inn Downtown in June. Featured specials included 5 different pork dishes. Customers ordering pork during the promotion were eligible to win a gas barbecue. 468 pork dinners were ordered in 10 days.

Other food service promotions have been held at Brandon General Hospital and the Great West Life Assurance Company cafeteria.

Canada Pork provides a variety of promotional material - tent cards, napkins, buttons, posters, etc. for restaurants to choose from in the food service kit. These kits have been extremely well received by the food service industry. Attractive food service ads featuring Pork Steaks, Shaved Pork on a Bun and Porky-Pines, placed three times in national food service magazines, have motivated many restaurants to have a food service promotion.

We continue to work with The Hotel and Restaurant Association and the Chef's Association, assisting with special events. Proceeds from the meat auction at EXPO Pork in Vancouver, resulted in a cheque for $575 to the chefs on Team Manitoba.

3. EXPO PORK

EXPO Pork in Vancouver on November 3, featured 40 new pork products. 6 were from Manitoba. Mei Wey Foods, Burns Meats and Ready Foods were the suppliers.

LOCAL PROMOTIONS

1. CROWN ROAST PROMOTION

Our most successful promotion, the crown roast promotion was bigger and better in 1987, our third year. 44,000 frills were distributed. This year, retailers were anxious to be part of the promotion and advertised on their own. In 1986, one independent sold only 10 crown roasts and in 1987 with our campaign, sold 250 crown roasts!

2. PORK PROMOTOR

Bert Neufeld barbecued at 115 events and served over four tons of pork to some 35,000 hungry Manitobans.

3. MALL DISPLAYS

Thousands of consumers are reached through our presence at mall displays - offering food product samples, answering questions and handing out literature. At the Brandon Winter Fair, tickets were sold for sampling at commodity booths. Our Hog Producers' booth was the most popular with its samples of Porky-Pines. Other mall displays included Altona Mall, Kildonan Place, Home Improvement Show, SAG Teachers Conference, Steinbach Mall, Farm Women's Conference and CBC Christmas in the Exchange.

4. NUTRIENT DATA

The new nutrient data from Agriculture Canada was good news for pork producers and was excellent for publicity. Released on October 20, it provided many radio interviews, newspaper articles, TV coverage and newsletter features. It continues to be our focus for advertising through our new slogan from Canada Pork - "Pork, The New Lean Meat".

5. TV AND RADIO

Television shows continue to be popular monthly on CKY-TV and every 6 weeks on CKND-TV. Two radio tapes were given on Consumer Update each month, plus various guest appearances on CJOB, CBC and Country Comment.

6. NEWSLETTER

With so many exciting developments in the pork industry, a newsletter was developed in October to keep health professionals, media, foods service and retailers up-to-date on "Pork, The New Lean Meat". Our mailing list tops 300. The first newsletter followed the nutrient data release and the second followed EXPO Pork.

auditors' report

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

FINANCIAL STATEMENTS

DECEMBER 31, 1987

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
2700 Commodity Exchange Tower
360 Main Street
Winnipeg, Canada R3C 4G9
Telephone (204) 947-6519

AUDITORS' REPORT

To the Members of
The Manitoba Hog Producers' Marketing Board:

We have examined the balance sheet of The Manitoba Hog Producers' Marketing Board as at December 31, 1987 and the statements of revenue and expenditure, reserve for working capital and an offset to fixed asset investment, market development, pork promotion and research revenue, expenses and surplus, unallocated retained revenue, and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the board as at December 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Winnipeg, Canada,
January 22, 1988.

Chartered Accountants.

THE MANITOBA HOG PRODUCERS' MARKETING BOARD
(Incorporated as a producer board under the laws of Manitoba)

BALANCE SHEET

DECEMBER 31, 1987

	1987	1986
A S S E T S		
Current:		
Cash in bank	$ 429,427	$ 822,712
Bank deposit receipts - interest bearing	9,200,000	5,800,000
Accounts receivable	803,943	818,879
Prepaid expenses	20,500	4,440
Total current assets	10,453,870	7,446,031
Fixed assets (note 2)	1,841,133	1,909,843
	$12,295,003	$9,355,874
L I A B I L I T I E S		
Current:		
Producer payables and outstanding cheques	$ 6,572,015	$4,458,964
Accounts payable and accrued liabilities (note 5)	830,442	698,839
Total current liabilities	7,402,457	5,157,803
Contingency (note 7)		
Members' equity:		
Reserve for working capital and an offset to fixed asset investment	2,041,133	2,109,843
Surplus to be used for market development, pork promotion and research	713,726	582,289
Unallocated retained revenue	2,137,687	1,505,939
	4,892,546	4,198,071
	$12,295,003	$9,355,874

On behalf of the Board:

Director

Director

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF RESERVE FOR WORKING CAPITAL AND AN OFFSET TO FIXED ASSET INVESTMENT

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Balance, beginning of year	$2,109,843	$2,107,254
Transfer (to) from unallocated retained revenue	(68,710)	2,589
Balance, end of year	$2,041,133	$2,109,843

STATEMENT OF MARKET DEVELOPMENT, PORK PROMOTION AND RESEARCH REVENUE, EXPENSES AND SURPLUS

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Revenue:		
Portion of fees allocated	$ 500,000	$ 300,000
Special promotion levy	229,441	
	729,441	300,000
Expenses:		
Live hog exports	18,790	2,299
Market development	63,656	21,482
Industry association	54,452	75,605
Pork promotion - Manitoba (includes depreciation of $7,170; 1986 - $10,244)	149,618	110,298
Canadian Pork Council Special Trade Action Assessment	16,308	15,831
Research	50,561	43,552
Canada Pork assessment	244,619	83,978
	598,004	353,045
Excess (deficiency) of revenue over expenses	131,437	(53,045)
Surplus to be used for market development, pork promotion and research -		
Balance, beginning of year	582,289	635,334
Balance, end of year	$ 713,726	$ 582,289

STATEMENT OF UNALLOCATED RETAINED REVENUE

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Balance, beginning of year	$1,505,939	$ 928,167
Excess of revenue over expenditure from operations for year	563,038	580,361
	2,068,977	1,508,528
Add (deduct) transfer from (to) reserve for working capital and an offset to fixed asset investment	68,710	(2,589)
Balance, end of year	$2,137,687	$1,505,939

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Revenue:		
Gross fees	$2,583,200	$2,311,131
Deduct -		
Portion applicable to market development, pork promotion and research	(500,000)	(300,000)
Special promotion levy	(229,441)	
	1,853,759	2,011,131
Interest	571,855	516,458
Other	44,582	55,000
	2,470,196	2,582,589
Expenditure:		
Administrative and selling (schedule)	1,808,036	1,906,694
Depreciation	99,122	95,534
	1,907,158	2,002,228
Excess of revenue over expenditure from operations for year	$ 563,038	$ 580,361

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Cash provided by (used in) operating activities:		
Excess of revenue over expenditure from operations for year	$ 563,038	$ 580,361
Add charge to operations not requiring a current cash payment - Depreciation	106,292	105,778
Market development, pork promotion and research excess (deficiency) of revenue over expenses	131,437	(53,045)
Proceeds on sale of hogs	234,328,834	237,223,108
Distribution on settlements, including board fees	(234,328,834)	(237,223,108)
Gain on sale of fixed assets		(12,569)
	800,767	620,525
Net changes in non-cash working capital balances related to operations (note 6)	130,479	405,978
Cash provided by operating activities	931,246	1,026,503
Cash provided by (used in) investment activities:		
Purchase of fixed assets	(37,582)	(116,682)
Proceeds on disposal of fixed assets		20,884
Cash used in investment activities	(37,582)	(95,798)
Increase in cash during the year	893,664	930,705
Cash position at beginning of year	2,163,748	1,233,043
Cash position at end of year	$ 3,057,412	$ 2,163,748
Cash consists of the following:		
Cash in bank	$ 429,427	$ 822,712
Add bank deposit receipts	9,200,000	5,800,000
Deduct producer payables and outstanding cheques	(6,572,015)	(4,458,964)
	$ 3,057,412	$ 2,163,748

(see accompanying notes)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1987

1. Significant accounting policies

(a) Nature of the board

The board was established to carry out the function of marketing hogs on behalf of the hog producers of Manitoba, including enhancing the market through market development, pork promotion and research. Accordingly, the financial statements have been prepared to reflect the operations and the activities in market development. The following is a description of how the revenue and expenses have been accounted for:

i) Revenues, expenditures and unallocated retained revenue

The board annually determines the amount of gross revenue from fees which is to be allocated for market development, pork promotion and research. The Statement of Revenue and Expenditure includes all revenues less the portion allocated to market development, pork promotion and research, and all expenses applicable to the day to day operations of the board. The excess of revenue over expenditure from operations is credited to the unallocated retained revenue.

ii) Market development, pork promotion and research

The board maintains a separate surplus account to be used for market development, pork promotion and research. The Statement of Market Development, Pork Promotion and Research Revenue, Expenses and Surplus reflects the revenue which has been allocated for this purpose; the expenses for market development, pork promotion and research including the net costs of certain market development costs of hog export; the excess of revenue over expenses; and the surplus at the end of the year.

iii) Reserve for working capital and an offset to fixed asset investment

The board maintains the reserve to indicate the amount of members' equity which has been invested in net fixed assets plus an amount required for ongoing working capital.

(b) Revenue recognition

Revenue from fee income is recognized at the time of settlement with producers for sales made on their behalf by the board.

(c) Fixed assets

Land, building, furniture and equipment are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below:

Asset	Basis	Rates
Building	Straight-line	2.5 - 25%
Furniture and equipment	Diminishing balance	20 - 30%

2. Fixed assets

	1987			1986
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 431,145		$ 431,145	$ 431,145
Building	1,841,004	$556,102	1,284,902	1,339,034
Furniture and equipment	338,682	213,596	125,086	139,664
	$2,610,831	$769,698	$1,841,133	$1,909,843

3. Lease commitment

The board is renting the Brandon office and yard under a lease expiring at the end of 1988 which requires a minimum annual rental of $42,929.

4. Board members' remuneration and disbursements

	1987			1986
	Per Diem	Expense	Total	Total
District 1 (Executive Committee)	$ 8,611	$12,858	$ 21,469	$ 16,814
District 2	6,082	8,350	14,432	7,588
District 3 (Vice-Chairman)	6,325	11,829	18,154	13,311
District 4	6,460	7,740	14,200	13,154
District 5	4,332	4,431	8,763	6,185
District 6	6,408	7,776	14,184	9,508
District 7 (Chairman)	16,664	14,795	31,459	25,489
District 8	3,602	4,834	8,436	6,000
Miscellaneous charges		354	354	9,872
Gross remuneration and disbursements to Board Members	58,484	72,967	131,451	107,921
Less amount charged to market development	9,625	24,534	34,159	
Amount charged to operations	$48,859	$48,433	$ 97,292	$107,921

The board consists of seven Directors and one Chairman. The Chairman's per diem is a combination of a $5,000 annual salary plus a per diem of $120 per day. Directors' per diem rates are based on $110 per day.

The Executive Committee is comprised of the Chairman, Vice-Chairman and one Director.

The charge to market development consists of seven Board Members per diems and expenses incurred as part of the European and Asian Trade Missions.

5. U.S. countervailing duty

Under the terms of the countervailing duty imposed by the U.S. Department of Commerce, the Board is liable for payment of (and will pay on demand) a duty on hogs shipped to the United States between April 3, 1985 and August 13, 1985. The Board has accrued approximately $116,000 as at December 31, 1987 based on the preliminary duty of U.S. $3.20 per hundredweight, and the exchange rates in effect at the time of the shipments.

6. Net changes in non-cash working capital balances related to operations

	1987	1986
Decrease in accounts receivable	$ 14,936	$ 27,111
Decrease (increase) in prepaid expenses	(16,060)	2,088
Increase in accounts payable	131,603	376,779
Net changes in non-cash working capital balances related to operations	$130,479	$405,978

7. Contingency

On November 13, 1987, the board agreed to act as guarantor of a line of credit for Springhill Farms Limited up to a maximum of six million dollars. The line of credit between Springhill Farms Limited and its bank will have Springhill Farms Limited's accounts receivable and inventory pledged as collateral security and will be administered in accordance with a specific agreement.

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

SCHEDULE

SCHEDULE OF ADMINISTRATIVE AND SELLING EXPENDITURE

YEAR ENDED DECEMBER 31, 1987

	1987	1986
Awards	$ 6,075	$ 10,702
Board members' remuneration, travelling and miscellaneous expenses	97,292	107,921
Claims and adjustments	20,565	19,173
Data processing	73,250	73,565
District meetings	84,081	85,156
Employee benefits	70,712	71,092
Insurance	62,229	51,717
Light, heat and water	135,900	144,870
Maintenance and repairs	43,896	36,404
Memberships and subscriptions	2,096	2,229
Microfilming and xeroxing	5,807	4,495
Miscellaneous	15,757	14,841
Newsletter and hog journal	17,512	20,490
Office rental - Brandon	7,254	7,254
Office supplies and stationery	32,817	34,173
Postage	46,131	53,184
Professional fees	38,048	22,332
Provincial Health and Education Tax	17,188	12,265
Realty and business taxes	85,885	82,638
Salaries	739,097	853,653
Stockyard rentals and expenses	113,328	119,556
Telephone and telegraph, net	69,259	55,348
Travel expenses	15,935	15,708
Truck wash	7,922	7,928
Total administrative and selling expenditure	$1,808,036	$1,906,694

(see accompanying notes)